



## Community Revitalization

# MEMORANDUM

**To:** Lisha A. García, Neighborhood Services Manager  
**From:** Kit Kelly, Community Revitalization Director  
**Date:** February 17, 2005  
**Subject:** Recommendation on Alternative Projects - REVISED

Each year staff proposes recommendations for City Council consideration utilizing CDBG entitlement funds for the following fiscal year. As part of its application to HUD the City can identify alternate projects that could be financed if funds become available.

The City allocates CDBG contingency funds each year to cover potential cost overruns. HUD allows a 10% contingency reserve. Initial allocations are determined based on cost estimates, however once an activity has started there may be changes in the actual costs. Staff recommends a 7% contingency for FY 2005/2006.

CDBG program income may be received through loan payments or repayment of liens placed on properties that had been rehabilitated using federal funds in prior years. During the current fiscal year additional CDBG funds have become available due to the receipt of program income of \$230,284 through January 2004. Funds reserved for housing rehabilitation are increased by program income received from this source.

If contingency funds are not fully utilized, significant program income is received, or some projects are unable to proceed in a timely manner; staff recommends the following projects be considered as alternates for CDBG funding:

Contingency Reserve Projects:		
Organization	Reason	Amount
MCCD Small Bus Dev Cntr	Subject to additional information	\$ 67,000
NEDCO	Subject to current year performance	\$ 37,400
Opportunity Zone Clean Sweep	Subject to selection of CDBG eligible area	\$ 9,555
MCC Irving School	Subject to project readiness (Contingency reserve prior year)	\$180,000

Alternative Projects:		
Priority/Organization	Reason	Amount
1. Maricopa County	Subject to project readiness	\$125,000
2. La Plaza de las Tres Culturas	Subject to project readiness, project cost determination	\$150,000-175,000
3. Beverly Park	Subject to available funding for construction/operations	\$273,000
4. Mesa Grande	Subject to HUD determination of eligibility	\$50,000
5. Streetlight – Construction	Subject to project readiness	\$300,000

CDBG Proposed Alternative Projects  
FY 05/06

Agency/Project	Amount	Revised Estimate	Recommend	Status	Project description
Alston House	\$ 150,000		\$ 90,000	Approved	Renovations of Alston House at 553 N Pima
Maricopa County Safe Haven	\$ 125,000		\$ 0.00	withdrew	Construct homeless shelter on the Human Svcs Campus in Phx
La Plaza de las Tres Culturas	\$ 175,000		\$ 0.00	not ready	Acquire/rehab 538 S Robson & 209 W Vine as Comm. Educ. Center
Mesa Grande Crime Prevention	\$ 50,000		\$ 0.00	ineligible	Provide a crime free Hotel/Motel and Mobile Home Park program
Jefferson Park lighting	\$ 539,856		\$ 655,771		Upgrade security lighting and softball field lighting at Jefferson Park
Beverly Park construction	\$ 547,400	\$ 958,500	\$ 0.00		Construction of new City park on Beverly St
Streetlight upgrades- construction	\$ 300,000	\$ 354,200	\$ 354,200		Streetlight construction - Williams to Gilbert/Main St to Broadway
<b>Additional Requests</b>					
MARC Center	\$ 100,000		\$ 0.00		
		\$ 1,099,971			
		\$ (90,000)			Alston House approved by Council 12/19/05
		\$ 1,009,971			
I:Annual Plans/Annual Plan contingency					